

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Scheherazade, Inc.,

Debtor.

Chapter 7
Bankruptcy 19-40658

NOTICE OF SETTLEMENT

TO: The United States Trustee, all creditors, and other parties in interest.

On June 26, 2020, or as soon thereafter as the transaction may be completed, the trustee of the estate will settle a controversy as follows:

The trustee alleges that within 90 days before the petition date, Michael Bondanza, Inc. received a total of \$25,800 from the debtor. The trustee asserts that the transfer is avoidable as a preference under 11 U.S.C. § 547. Michael Bondanza denies the trustee's claims and has raised defenses, including, among others, that the debtor received new value after the payments were made and that the payments were paid to Michael Bondanza in the ordinary course of business. Michael Bondanza also filed a timely proof of claim for \$93,961.66, of which \$5,435 is claimed as an administrative priority claim and \$21,520 is claimed as secured [Claim No. 156]. The trustee asserts a basis to object to the priority portion of the claim and the secured portion of the claim.

To settle the preference claim and to settle the issue regarding the proof of claim, Michael Bondanza will amend its claim to a general unsecured claim for \$5,000 and the trustee will release Michael Bondanza of all claims or causes of action she might have against it under the Bankruptcy Code or other applicable law. Michael Bondanza's proof of claim shall be deemed amended and reduced to a general unsecured claim for \$5,000 upon a court order approving this settlement.

The trustee believes the settlement is in the best interest of creditors due to the cost of litigation, the various defenses of Michael Bondanza, and the complexity and expense of objecting to the claim. The trustee requests that the settlement be approved.

OBJECTION: MOTION: HEARING

Under applicable rules, any objection must be in writing, be delivered to the trustee and the United States Trustee, and be filed with the clerk, not later than 12:00 noon on the day before the above date. If an objection is timely delivered and filed, the court will hold an expedited hearing on the objection with reduced notice of the hearing. The hearing will be scheduled by the trustee with notice by the trustee to the objecting party and the United States Trustee. If an objection is made or an order is required, the undersigned trustee moves the Court for such orders as may be necessary and appropriate.

United States Bankruptcy Court
300 South Fourth Street
301 U.S. Courthouse
Minneapolis, MN 55415

United States Trustee
1015 U.S. Courthouse
300 South Fourth Street
Minneapolis, MN 55415

Nauni Manty, Trustee
401 2nd Ave N, Ste 400
Minneapolis, MN 55401

Dated: May 28, 2020

By: /e/ Nauni Manty
Nauni Manty, Trustee